

## Message Text

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ORIGIN TRSE-00

INFO OCT-01 ARA-06 ISO-00 SS-15 EB-07 NSC-05 INR-07 CIAE-00

L-03 OMB-01 H-02 SP-02 /049 R

DRAFTED BY TREAS:HSHELLEY:MH

APPROVED BY EB/OT/STA:WCLARK,JR.

ARA/BR:TSHUGART

ARA/BR:TSHUGART

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P 121747Z FEB 76

FM SECSTATE WASHDC

TO AMEMBASSY BRASILIA PRIORITY

C O N F I D E N T I A L STATE 034722

E.O. 11652: GDS

TAGS: ETRD, BR

SUBJECT: COUNTERVAILING DUTY INVESTIGATIONS ON FOOTWEAR

REF: STATE 27889

1. FOLLOWING IS TEXT OF SECRETARY SIMON'S RESPONSE TO  
LETTER FROM FINANCE MINISTER SIMONSEN, JANUARY 28.

BEGIN TEXT.

DEAR MARIO:

THANK YOU FOR YOUR LETTER OF JANUARY 28, 1976 REGARDING  
THE UPDATING OF INFORMATION USED TO DETERMINE COUNTER-  
VAILING DUTY RATES ON BRAZILIAN FOOTWEAR IMPORTS.

I WOULD LIKE TO ASSURE YOU, THAT, AS YOU REQUESTED, WE  
WILL DEFER ANY EXAMINATION OF FINANCIAL ASSISTANCE BEING  
RECEIVED BY FOOTWEAR FIRMS UNTIL AFTER THE ITC FOOTWEAR  
DECISION IS AVAILABLE. MOREOVER, I WOULD LIKE TO ASSURE  
YOU THAT NO FINAL ACTION WILL BE TAKEN ON THIS MATTER UNTIL  
I HAVE A CHANCE TO TALK WITH YOU DURING MY VISIT TO BRAZIL  
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IN MAY. IT DOES SEEM TO BE NECESSARY FOR US TO CONDUCT AT

LEAST A CURSORY INVESTIGATION OF THE PRESENT UTILIZATION OF  
BRAZIL'S FINANCIAL ASSISTANCE TO FOOTWEAR EXPORTERS BETWEEN  
THE DATE OF THE ITC DECISION AND MY VISIT IN MAY, IN ORDER

THAT WE MAY HAVE A FACTUAL BACKGROUND TO DISCUSS THIS  
MATTER OF CONCERN TO BOTH OF US.

I KNOW THAT YOU ARE AWARE OF IT, BUT I HOPE THAT YOU WILL  
MAKE OTHERS IN THE BRAZILIAN GOVERNMENT AWARE OF THE  
FACT THAT THE BRAZILIAN EXPORT SUBSIDY SYSTEM, WHICH IN  
THEORY BESTOWS A POSSIBLE 24 PERCENT SUBSIDY ON EXPORTS  
TO THE UNITED STATES, IS A SOURCE OF CONTINUING AND  
INTENSE CONCERN TO AMERICAN INDUSTRY. MOREOVER, THE  
POTENTIAL BRAZILIAN EXPORT SUBSIDY APPEARS TO BE ONE OF  
THE HIGHEST IN THE WORLD, EVEN AMONG DEVELOPING COUNTRIES.  
I WOULD HOPE THAT WE COULD ADDRESS OURSELVES TO THIS  
ISSUE, AS WELL AS COUNTERVAILING DUTY COMPLAINTS FILED  
WITH US CONCERNING IMPORTS FROM BRAZIL.

ONCE AGAIN, I APPRECIATE YOU BRINGING YOUR CONCERN  
DIRECTLY TO MY ATTENTION, AND I AM SURE THAT BY OUR CON-  
TINUED JOINT EFFORTS, WE CAN MANAGE THESE PROBLEMS. I  
LOOK FORWARD TO OUR DISCUSSIONS IN MAY.

WITH WARM REGARDS,

SINCERELY YOURS,

WILLIAM E. SIMON   END TEXT.

2. ORIGINAL OF TEXT IS BEING POUCHED TO EMBASSY.   INGERSOLL

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** FOOTWEAR, COUNTERVAILING DUTIES, INVESTIGATIONS, DIPLOMATIC COMMUNICATIONS, GOVERNMENT REACTIONS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 12 FEB 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** buchant0  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1976STATE034722  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** HSHELLEY:MH  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Film Number:** D760054-0069  
**From:** STATE  
**Handling Restrictions:** n/a  
**Image Path:**  
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**Line Count:** 92  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ORIGIN TRSE  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
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**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** n/a  
**Reference:** 76 STATE 27889  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** buchant0  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 14 JUL 2004  
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**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** COUNTERVAILING DUTY INVESTIGATIONS ON FOOTWEAR  
**TAGS:** ETRD, BR, US  
**To:** BRASILIA  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006